

Michigan DNR Forest Certification Internal Audit Report

FMU: Gaylord

Internal Audit Dates: June 17-19, 2008

Internal Audit Summary Date: June 19, 2008

Lead Auditor: Mike Donovan

Internal Auditors: Bob Burnham, Kim Herman, Steve Milford

Comments:

The internal audit of the Gaylord FMU was held June 17-19, 2008. The scope of the audit was State Forest Land (SFL) within the Gaylord FMU. The audit criteria were the May 6, 2008 version of the Work Instructions (WIs) and all supporting DNR policy, procedures, rules, management guides, guidance documents, plans, and handbooks that were relevant to the management of SFL. On Tuesday, June 17, a detailed list of audit sites were selected and two audit routes established based on a search of records and interviews with staff. Wednesday morning a brief opening meeting was held via teleconference with the participants at the Gaylord and Indian River Field Offices. The audit team split into two groups and visited areas managed by the staff at the Indian River Field Office in the northern portion of the Unit; and areas managed by the staff at the Gaylord Field Office in the southern portion of the Unit. Thursday morning was spent reviewing the audit findings, conducting follow-up interviews, or further reviewing documents as needed. A closing meeting was held on Thursday at 1:00 pm. The audit team gathered evidence to determine work instruction conformance through interviews, document review, and field observations.

The internal audit team appreciated the cooperation, involvement, and openness of the Gaylord Unit staff. The audit team was impressed with the tremendous amount of positive cooperative resource management with constituent groups that occurs on the Gaylord Unit. **It was recognized by the audit team that the number of sales currently open and active on the Unit is a challenge to manage.** Team members also noted Eco-regional planning efforts have done a good job engaging field staff.

Definitions:

Major Non-conformances: One or more of the Michigan Department of Natural Resource (MDNR) Sustainable Forest Certification Work Instruction requirements has not been addressed or has not been implemented to the extent that a systematic failure of the MDNR to meet a Sustainable Forest Certification (Sustainable Forestry Initiative or Forest Stewardship Council) principle, objective, performance measure or indicator occurs. (Adapted from the Sustainable Forestry Initiative Standard 2005-2009 Edition definitions.)

Minor Non-conformances: An isolated lapse in MDNR Sustainable Forest Certification Work Instruction implementation which does not indicate a systematic failure to consistently meet a Sustainable Forest Certification (SFI or FSC) principle, objective, performance measure or indicator. (Adapted from the Sustainable Forestry Initiative Standard 2005-2009 Edition definitions.)

Opportunities for improvement: Opportunities for improvement are findings that do not indicate a current deficiency, but serve to alert the FMU to areas that could be strengthened or which could merit future attention.

The DNR's internal audit review process (WI 1.2) requires a record, evaluation, and report of non-conformances with forest certification standards and related WI at all levels of the Department. As part of that process, we documented the Unit's conformity with policy, procedures, management review decisions, and WIs. Our audit resulted in 1 major non-conformance, 10 minor non-conformances, and 7 opportunities for improvement. Non-conformances are documented on the Non-conformance Report forms (NCR Form 4502) below. Opportunities for improvement include:

Results of our internal audit found the following list of Opportunities for improvement. Below each bulleted opportunity for improvement is a response from the unit on the current status.

- WI 1.1 The Michigan State Forest Management Plan (MSFMP) was approved on April 10, 2008, nine weeks prior to the audit. Staff need to be familiar with the MSFMP and need to understand how key components of the plan may impact FMU operations.

UM Comment: Staff has been directed to the DNR website location of the State Forest Management Plan. Our pre-audit meeting reviewed the glossary and highlights of the plan. A paper copy is at the Gaylord FO, an electronic copy of the plan is also stored on the unit share drive "G". A CD version is also available in the unit manager's office.

- WI 1.4 Staff needs to improve their understanding of the ecological basis of retention and how it relates to implementation of retention in selection harvest systems.

UM Comment: Staff have been directed to review the retention guidelines to better understand how to implement in selection harvest systems.

- WI 1.6 Better participation in the pre-inventory meeting would make sure that recreational issues or fisheries are considered up-front before field inventory occurs.

UM Comment: Recreation and fisheries staff were invited to the Unit's "Inventory Preview" or to forward concerns for the current inventory/entry year's compartments. Unit staff have a good working relationship with other divisions and if issues arose during field examination they would contact the appropriate person. Otherwise, unit staff is aware of the general concerns of the biologists and specialists and the guidelines they utilize.

- WI 2.3 Unit staff could use further training on identifying and monitoring invasive plant species.

UM Comment: Land management staff have attended MNFI's plant identification training when available. Staff also stays current with the forest health updates and contacts the forest health specialist when needed.

- WI 6.2 The auditors felt the extensive recreation programs in this Unit (and likely in other Units) requires better integration of recreation planning with other planning efforts, especially the Regional State Forest Management Plans.

UM comment: Unit will attempt a better integration of recreation planning by informing all unit staff of the various impacts each of the FMFM programs may have on each other either by email or staff meetings. The Regional State Forest Management Plan should assist the unit overall by offering program objectives and how the region will achieve them.

- WI 6.3 Staff need to be familiar with the SFI Inconsistent Practices Hotline (800-474-1718) and know that the FMFM Forest Certification Specialist is the DNR's SFI State Implementation Committee representative.

UM Comment: Land management personnel all have the SFI Inconsistent Practices Hotline phone number, posted on their office bulletin boards. The posting also indicates the name of the current SFI State Implementation Committee Representative.

- WI 7.2 Insurance documents associated with some use and event permits should be evaluated for conformance with the required wording in the indemnification clause.

UM Comment: Unit will ensure that the wording is as required.



Michigan Department of Natural Resources - Forest, Mineral and Fire Management

INTERNAL AUDIT NON CONFORMANCE REPORT

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|--|--|---|--|
| Unit Name Gaylord | | Site location Site Visit and Interviews | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-01 |
| Lead Auditor Mike Donovan | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | |
| Date (mm/dd/yyyy) 6/19/2008 | Work Instruction or Standard and Clause Number 1.1 Strategic Framework for Sustainable Management of State Forest | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | Other Documents (if applicable) | Responsible Manager(s) District Manager FMFMD, Unit Manager Wildlife | |
| <p>Requirement of Audited Standard/ Work Instruction</p> <p>1. Supervisors are responsible for staff having knowledge of Work Instructions.</p> <p>2. State will prepare and maintain a State Forest Plan. Staff will be knowledgeable of document and guidance.</p> | | | |
| <p>Observed Nonconformity</p> <p>On multiple occasions some staff exhibited poor knowledge of work instructions and the State Forest Plan.</p> <p>For example: the Unit manager's understanding of SCA/HCVA/ERA; some staff not aware of opportunity to code alternative species mix in inventory; timber sale administration with timber sale PPE requirements; and SFI contacts.</p> | | | |
| <p>Root Cause Analysis (Describe the cause of the problem.)</p> <p>High demands on the Unit Manager added to this being a relatively new program make this program a little unfamiliar to most employees.</p> | | | |
| <p>Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions.</p> <p>Unit Manager must take a more active role in being the leader for their team's training. Will require the UM to become extremely familiar with the system in order to train subordinates properly. The unit should conduct an in depth training on this prior to the external audit. Staff time in the certification program can be enlisted to assist.</p> | | | |
| Proposed Completion Date (mm/dd/yyyy) Continuous | | | |
| Joyce Angel-Ling FMFM Unit Manager | | Dayle Garlock FMFM District Supervisor | |
| Signature Date 9-23-08 | | Signature Date 10/7/08 | |
| CORRECTIVE ACTION PLAN ACCEPTED | | Forest Certification Specialist Acknowledgement: Dennis Nezich | |
| | | Date 10/13/08 | |

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|-------------------------------------|--------------------------|------|--------------------------|-----------|------|
| Actual Completion Date (mm/dd/yyyy) | FMFM District Supervisor | | | Date | |
| | | | | | |
| FMFM Unit Manager | Signature | Date | FMFM District Supervisor | Signature | Date |
| Follow Up Comments | | | | | |



INTERNAL AUDIT NON CONFORMANCE REPORT

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|--|---|--|--|
| Unit Name Gaylord | | Site location Site Visit and Interviews | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-02 |
| Lead Auditor Mike Donovan | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | |
| Date (mm/dd/yyyy) 6/19/2008 | Work Instruction or Standard and Clause Number 1.2 Management Review Process for | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | Other Documents (if applicable) | Responsible Manager(s) Field Coordinators for FMFMD, Wildlife | |
| Requirement of Audited Standard/ Work Instruction 1. Field Coordinators - Oversee internal audit process....implement changes and improvements in field operations. | | | |
| Observed Nonconformity <p>Staff do not seem to be getting clear direction from management on management review decisions. For example, some staff were not aware of the process for requesting T&E species survey and SHPO surveys during multiple interviews.</p> <p>Also, status of Wildlife Lands certification is unclear. The Wildlife Biologist is doing good work treating invasive species on Beaver Island, but is not using work instructions as guidance (no FTP, or Pesticide Plans) on procedures. As far as the audit team is concerned, Beaver Island DNR lands are certified.</p> | | | |
| Root Cause Analysis (Describe the cause of the problem.) <p>We talked about the SHPO process during the FCT conference call on August 29, 2008. This information is currently in the process of being completed and then sent out to the field in time for the external audit in October. This was actually a CAR from 2007. Part of the problem has been different procedures for Wildlife lands vs. state forest lands due to federal aid requirements. Once this material has been finished and distributed it will also be a primary discussion piece at the annual management review.</p> <p>In regards to the certification of wildlife lands--Cara Boucher and Penney Melchoir are working on developing a charge document for an internal workgroup to work on this issue. Part of this process will include identification of lands and clear definition and/or description of these lands and their geographic boundaries. Main issue is confusion between Wildlife Division and FMFM regarding what is in scope and what is not---FMFM assumed that Wildlife Lands which fell within state forest boundaries were considered in-scope while Wildlife Division staff were instructed that they were not considered to be in-scope. Beaver Island has additional complications in that several years ago the two division chiefs provided staff with a very specific memo in which administration was moved to FMFM. Since this is actually one of the legislatively dedicated research areas and a Pittman-Robertson property and administration should not have been transferred, the administration was "informally" switched back to Wildlife Division. However, clarification (preferably written) still needs to be provided to field staff.</p> | | | |

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| <p>Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions.</p> <p>Field coordinators will continue to communicate results of the management review to all staff. We will include a review of staff communications as a part of this years review. Improving communications as a result of the review is a continuous improvement process that is undertaken each year.</p> <p>SHPO procedure will be finished and distributed to staff (and also identified in a quarterly update newsletter by Dennis Nezich) in time for the October external audit. In addition, this will be a major discussion topic and this year's annual management review.</p> <p>Wildlife lands (in scope or out of scope) will be determined by the workgroup, once provided with a specific charge and assigned, which should clarify these questions. This should also be a topic of discussion at this year's management review.</p> | | | | | |
| <p>Proposed Completion Date (mm/dd/yyyy)</p> <p>2-1-2009</p> | | | | | |
| <p>Joyce Angel-Ling</p> | | | <p>9-8-2008</p> | | |
| <p>_____</p> | | | <p>_____</p> | | |
| <p>FMFM Unit Manager Signature Date</p> | | | <p>Dayle Garlock 10/7/08</p> | | |
| <p>_____</p> | | | <p>_____</p> | | |
| <p>FMFM Unit Manager Signature Date</p> | | | <p>FMFM District Supervisor Signature Date</p> | | |
| <p>CORRECTIVE ACTION PLAN ACCEPTED</p> | | <p>Forest Certification Specialist Acknowledgement</p> | | <p>Date 10/13/08</p> | |
| <p>Actual Completion Date (mm/dd/yyyy)</p> | | <p>Dennis Nezich</p> | | <p>Date</p> | |
| <p>_____</p> | | <p>_____</p> | | <p>_____</p> | |
| <p>_____</p> | | <p>_____</p> | | <p>_____</p> | |
| <p>FMFM Unit Manager Signature Date</p> | | <p>FMFM District Supervisor Signature Date</p> | | <p>_____</p> | |
| <p>Follow Up Comments</p> | | | | | |
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Michigan Department of Natural Resources - Forest, Mineral and Fire Management

INTERNAL AUDIT NON CONFORMANCE REPORT

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|---|--|---|--|--|--|
| Unit Name Gaylord | | Site location Interview of Planning Staff Gaylord OCS 6/17/08 | | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-03 | |
| Lead Auditor Mike Donovan | | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | | |
| Date (mm/dd/yyyy) 6/19/2008 | | Work Instruction or Standard and Clause Number 1.3 Regional State Forest Management Plan Development | | | |
| <input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor | | Other Documents (if applicable) | | Responsible Manager(s) NLP Regional Eco Team Chair | |
| Requirement of Audited Standard/ Work Instruction The Regional State Forest Management Plans will be completed in 2008 following approval of the State Forest Management Plan. | | | | | |
| Observed Nonconformity District staff indicated the NLP Regional State Forest Management Plan will not be completed by the current deadline of December 31, 2008. | | | | | |
| Root Cause Analysis (Describe the cause of the problem.) Forest Certification standard's requirement for public participation caused the Department's Statewide Council (SWC) to re-evaluate the amount of public participation originally built into the development of the Regional State Forest Management Plan (RSFMP). Upon this re-evaluation, The SWC decided it was critically important to increase the amount of public participation in the planning process. In doing so, the SWC approved a revised timeline for completion of the RSFMP. The completion date is now January, 2010. | | | | | |
| Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions. The corrective action is to complete the RSFMP within the revised timeline. The Northern Lower Peninsula Eco-Team is committed to completing the plan on time and will utilize the necessary resources to ensure it's completion by the scheduled date of January, 2010. Progress will be continually monitored at monthly NLP Eco-Team meetings and resources will be utilized as necessary for assistance in completing the RSFMP. | | | | | |
| Proposed Completion Date (mm/dd/yyyy) January, 2010 | | | | | |
| Joyce Angel-Ling | | 9-17-2008 | | Dayle Garlock | |
| FMFM Unit Manager | | Signature | | Date | |
| | | | | 10/7/08 | |
| | | | | FMFM District Supervisor | |
| | | | | Signature | |
| | | | | Date | |
| CORRECTIVE ACTION PLAN ACCEPTED | | Forest Certification Specialist Acknowledgement: Dennis Nezich | | Date 10/13/08 | |

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| Actual Completion Date (mm/dd/yyyy) | FMFM District Supervisor | | | Date | |
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| FMFM Unit Manager | Signature | Date | FMFM District Supervisor | Signature | Date |
| Follow Up Comments | | | | | |



INTERNAL AUDIT NON CONFORMANCE REPORT

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|---|---|---|--|
| Unit Name Gaylord | | Site location Forester Interview 6/18/08 | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-04 |
| Lead Auditor Mike Donovan | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | |
| Date (mm/dd/yyyy) 6/19/2008 | Work Instruction or Standard and Clause Number 1.4 Biodiversity Management on State Forest Lands | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | Other Documents (if applicable) Management Review Report, 1-17-08 | Responsible Manager(s) Forest Resource Management Section Supervisor | |
| Requirement of Audited Standard/ Work Instruction WI 1.4 : Monitoring Section: " The DNR Monitoring Protocol for Ecological Reference Areas and High Conservation Value Areas will be followed." | | | |
| Management Review Report, 1-17-08: 3) Ecological Reference Area (ERA) Planning Process: Each identified ERA will have a draft management plan developed as part of the compartment review process. Review and Approval Procedure: ERA planning process will be coordinated with the compartment review process. Draft ERA plans should be available 14 days prior to the FMU post inventory review and 30 days prior to the FMU open house. Draft ERA plans will be included in the package "advertised" on the DNR compartment review webpage (<i>if not, another distribution mechanism must be developed</i>). | | | |
| Observed Nonconformity The Gaylord North Open House is scheduled for July 9, 2008. Compartment 221, Bois Blanc Island, Cobble Beach Ecological Reference Area/Snake Island Natural Area Management/Monitoring Plan has not been written and posted. | | | |
| Root Cause Analysis (Describe the cause of the problem.) The Forest Mineral and Fire Management Division District Supervisor and Northern Lower Michigan Field Coordinator halted all progress on Ecological Reference Area Management Plans to resolve their questions. This delayed development beyond the posting deadline of the ERA plan in Compartment 221. | | | |
| Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions. A draft plan is developed. Posting is pending a review by all divisions. It was decided at the review that the draft plan will have to be circulated to all divisions for edits and comments and then approved at next year's review. The remainder of ERA plans for the Unit should follow this protocol as well. | | | |
| Proposed Completion Date (mm/dd/yyyy) 07-31-2009 | | | |

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| Joyce Angel-Ling _____ FMFM Unit Manager Signature Date | | | 9-8-2008 | | | Dayle Garlock _____ FMFM District Supervisor Signature Date | | | 10/7/08 | | |
| CORRECTIVE ACTION PLAN ACCEPTED | | | | Forest Certification Specialist Acknowledgement: Dennis Nezich | | | | Date 10/13/08 | | | |
| Actual Completion Date (mm/dd/yyyy) | | | | FMFM District Supervisor | | | | Date | | | |
| _____ FMFM Unit Manager Signature Date | | | | | | _____ FMFM District Supervisor Signature Date | | | | | |
| Follow Up Comments | | | | | | | | | | | |



Michigan Department of Natural Resources - Forest, Mineral and Fire Management

INTERNAL AUDIT NON CONFORMANCE REPORT

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|---|---|---|--|
| Unit Name Gaylord | | Site location Multiple | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-05 |
| Lead Auditor Mike Donovan | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | |
| Date (mm/dd/yyyy) 6/19/2008 | Work Instruction or Standard and Clause Number 3.1 Forest Operations | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | Other Documents (if applicable) | Responsible Manager(s) FMFM Unit Manager | |
| <p>Requirement of Audited Standard/ Work Instruction Operations review: FMFM, Fisheries, and Wildlife Divisions will review and approve all intrusive operations performed or permitted by any DNR division on State Forest lands at appropriate level(s), and these approvals will be documented.</p> <p>A spill kit, or access to sufficient absorbent material to clean up spills, is required at sites with State-owned vehicles having hydraulic equipment or auxiliary fuel tanks.</p> <p>For forest operations that are not reviewed by the Natural Heritage Unit or MNFI, the operating division will have the lead responsibility including coordination with the DNR endangered species coordinator for the protection of rare, threatened, and endangered species and special ecological sites, and will document the potential impacts as part of the operations approval process.</p> <p>For forest operations that are not reviewed by the State Historic Preservation Office of the Department of History, Arts, and Libraries, the operating division will take the lead in ensuring the protection of these as part of the operations approval process.</p> <p>BMP Non-conformances that are identified per work instruction 3.2 must be assessed by the management review process.</p> | | | |
| <p>Observed Nonconformity Several Use/Event permits had varying levels of approvals acquired. Road Construction/Improvement permit FMFM52-2008-01 required approval through Field Coordinator but only had approval by Unit Manager.</p> <p>Lack of spill kits on Department owned vehicles. Indian River fire officer pickup has an auxiliary fuel tank but no spill kit.</p> <p>Selected Use/Event permits had no documentation of MNFI or SHPO reviews.</p> <p>There is a lack of a system in place to prioritize and address Resource Damage Reports. Unit is not aggressively seeking funding to repair damage.</p> | | | |
| <p>Root Cause Analysis (Describe the cause of the problem.) Permit # 52-2008-01 was not circulated outside of the unit due to the interpretation of "intrusive activity" per the WI 3.1, first paragraph on page 46: "maintenance of roads within the cleared right-of-way is not considered intrusive...." The permit was for maintenance on the ROW.</p> <p>The majority of events and use permits take place on existing, developed facilities so reviews for SHPO and MNFI would be redundant.</p> <p>The ability to track and prioritize RDR's has been difficult with 4 field stations and lack of a</p> | | | |

central storage space or server for the unit. The division database has been cumbersome and is under going improvements. Unit prefers to complete funded projects before seeking more funds so as not to tie up monies that can be used outside of the unit.

Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions.

Spill kit will be placed in the fire officer pickup and all unit vehicles will be checked to ensure spill kits are in place.

If use/event permits are to occur on undeveloped where an impact to SHPO or MNFI might occur, reviews will be requested before issuing the permits. Those not needing review will be noted as such.

Unit's ORV summer worker has updated all RDR's on the database and has prioritized most as to funding source for repair. ORV funded repair requests have been submitted. Staff has been waiting for DEQ permits with 2 of the non-orv, top pending projects and will begin work once those are received. Once those are completed, Unit will seek additional funding to continue with repairs on the list.

Proposed Completion Date (mm/dd/yyyy)

12-31-2008

Joyce Angel-Ling

9-17-08

Dayle Garlock

10/7/08

FMFM Unit Manager

Signature

Date

FMFM District Supervisor

Signature

Date

CORRECTIVE ACTION PLAN ACCEPTED

Forest Certification Specialist Acknowledgement:

Dennis Nezich

Date 10/13/08

Actual Completion Date (mm/dd/yyyy)

FMFM District Supervisor

Date

FMFM Unit Manager

Signature

Date

FMFM District Supervisor

Signature

Date

Follow Up Comments



Michigan Department of Natural Resources - Forest, Mineral and Fire Management

INTERNAL AUDIT NON CONFORMANCE REPORT

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|--|--|---|--|--|--|
| Unit Name Gaylord | | Site location Multiple | | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-06 | |
| Lead Auditor Mike Donovan | | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | | |
| Date (mm/dd/yyyy) 6/19/2008 | | Work Instruction or Standard and Clause Number 3.2 Best Management Practices Non-Conformance Reporting | | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | | Other Documents (if applicable) | | Responsible Manager(s) FMFMD Unit manager | |
| Requirement of Audited Standard/ Work Instruction DNR employees are required - and other citizens and visitors are encouraged - to watch for and report BMP problems in State Forests. Reporting responsibilities include water quality and site productivity issues. Employees should endeavor to monitor problem-prone areas on a systematic basis. | | | | | |
| Observed Nonconformity Staff is not reporting all RDR's, examples include Trio Hardwood's culverts and new road around berm. | | | | | |
| Root Cause Analysis (Describe the cause of the problem.) Discussion at this site did not determine if this was indeed a new RDR or a 'breached' RDR that had been addressed previously (and previously reported). Timber sale administrator and loggers had corrected the breach by enlarging the berm and letting the water run in its natural course, culvert was no longer needed. | | | | | |
| Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions. The new ORV ruts beside the berm were to be blocked once again by the logger. Staff is instructed to make note of new RDR's and enter into the database asap. | | | | | |
| Proposed Completion Date (mm/dd/yyyy) 7-1-2008 | | | | | |
| Joyce Angel-Ling | | 9-18-2008 | | Dayle Garlock | |
| FMFM Unit Manager | | Signature | | Date | |
| | | | | 10/7/08 | |
| | | | | Date | |
| CORRECTIVE ACTION PLAN ACCEPTED | | Forest Certification Specialist Acknowledgement: Dennis Nezich | | Date 10/13/08 | |

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| Actual Completion Date (mm/dd/yyyy) | FMFM District Supervisor | | | Date | |
| | | | | | |
| FMFM Unit Manager | Signature | Date | FMFM District Supervisor | Signature | Date |
| Follow Up Comments | | | | | |



INTERNAL AUDIT NON CONFORMANCE REPORT

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|--|--|---|--|
| Unit Name Gaylord | | Site location Rope Swing site on Black River | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-07 |
| Lead Auditor Mike Donovan | | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | |
| Date (mm/dd/yyyy) 6/19/2008 | | Work Instruction or Standard and Clause Number 3.3 Best Management Practices-Road Closures | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | | Other Documents (if applicable) | Responsible Manager(s) FMFMD Unit Manager |
| <p>Requirement of Audited Standard/ Work Instruction</p> <p>An emergency road closure may be invoked when there is a public safety and/or a significant environmental concern. A significant environmental concern includes, but is not limited to: deep rutting or the potential for deep rutting, sediment flow into a stream, flooding, failure of a bridge, culvert failure that results in significant stream sedimentation, threats to threatened or endangered species, and threats to special cultural or historic sites.</p> <p>The Director of the Department of Natural Resources will issue a standing Director's Land Use Order for Emergency Road Closure that can be implemented as needed and per the following procedure:</p> <ol style="list-style-type: none"> 1) A DNR employee who identifies an existing road or trail meeting at least one of the above criteria for emergency road closure should immediately inform their supervisor and inform the FMFM Unit Manager. 2) The FMFM Unit Manager will evaluate the reported road condition, and if there is a public safety or significant environmental concern the problem will either be immediately mitigated or the road will be closed. Posting is required, and in addition closure may be achieved by placing barricades, berms, gating, signing, etc. 3) The FMFM Unit Manager will immediately contact their District Supervisor who will contact the respective Ecoteam Chairperson and report the situation. The FMFM Unit Manager will complete the Road Assessment Checklist and Forest Road Treatment Proposal and follow through with approvals. 4) The Ecoteam will meet as soon as possible regarding the emergency road closure, and will determine whether to continue with a temporary emergency closure, or to proceed with permanent road closure. The FMFM Unit Manager will receive written notification of the Ecoteam's decision through the District Forest Supervisor. 5) The road shall remain closed until the emergency situation is corrected, or closure is confirmed through the non emergency road closure process. 6) If it is determined that the emergency road closure is not appropriate, the FMFM Unit Manager will lift the emergency closure and identify an alternative method to address the problem. | | | |
| <p>Observed Nonconformity</p> <p>Emergency road closure was not done immediately when road washout at Rope Swing site was identified. This was a significant safety hazard for vehicles driving on this road.</p> | | | |
| <p>Root Cause Analysis (Describe the cause of the problem.)</p> <p>Emergency road closure was not the best option to address this site, instead Unit diverted vehicular traffic away from site. Several projects have been initiated to repair the area, including removing the rope swing, rerouting traffic away from the area, berming the illegal trails, installing vehicle barriers, and planting trees to block access. All attempts have been compromised to some degree.</p> | | | |

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| <p>Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions.</p> <p>Unit has partnered with Huron Pines Conservation Organization to remedy the erosion at this site. Their engineers visited the site 9-3-08 and the unit is waiting for the plans and implementation timeline. Vehicle barrier was still in place the last time site was visited.</p> | | | | | |
| <p>Proposed Completion Date (mm/dd/yyyy)</p> <p>10-31-2008</p> | | | | | |
| <p>Joyce Angel-Ling</p> | | | <p>9-18-2008</p> | | |
| <p>FMFM Unit Manager</p> | | | <p>Signature</p> | | |
| <p>FMFM Unit Manager</p> | | | <p>Date</p> | | |
| <p>Dayle Garlock</p> | | | <p>10/7/08</p> | | |
| <p>FMFM District Supervisor</p> | | | <p>Signature</p> | | |
| <p>FMFM District Supervisor</p> | | | <p>Date</p> | | |
| <p>CORRECTIVE ACTION PLAN ACCEPTED</p> | | | <p>Forest Certification Specialist Acknowledgement:</p> | | |
| <p>Actual Completion Date (mm/dd/yyyy)</p> | | | <p>Dennis Nezich</p> | | |
| <p>Actual Completion Date (mm/dd/yyyy)</p> | | | <p>Date 10/13/08</p> | | |
| <p>FMFM District Supervisor</p> | | | <p>Date</p> | | |
| <p>FMFM Unit Manager</p> | | | <p>Signature</p> | | |
| <p>FMFM Unit Manager</p> | | | <p>Date</p> | | |
| <p>FMFM District Supervisor</p> | | | <p>Signature</p> | | |
| <p>FMFM District Supervisor</p> | | | <p>Date</p> | | |
| <p>Follow Up Comments</p> | | | | | |



INTERNAL AUDIT NON CONFORMANCE REPORT

| | | | |
|---|--|---|--|
| Unit Name Gaylord | | Site location Mason Building, Lansing | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-08 |
| Lead Auditor Mike Donovan | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | |
| Date (mm/dd/yyyy) 6/19/2008 | Work Instruction or Standard and Clause Number 5.1 Coordinated Natural Resource Management Research | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | Other Documents (if applicable) | Responsible Manager(s) FMFM Forest Health, Inventory, and Monitoring Unit Manager with assistance from the Research Coordinators for FSD, PRD, and WLD | |
| Requirement of Audited Standard/ Work Instruction "The research coordinators from each Division or Bureau must compile a summary of research activities and expenditures" "The summary will describe development and implementation of research projects and incorporation of findings into DNR activities and programs." | | | |
| Observed Nonconformity Each division did not compile a summary of research activities and expenditures. The summary had no description of development and implementation of research projects, nor was there a description of incorporation of findings into DNR activities and programs. | | | |
| Root Cause Analysis (Describe the cause of the problem.) Work Instruction 5.1 goes beyond the SFI Objective 9 and requires a comprehensive report that results in spending additional preparation time, without additional resources identified to gather the information and prepare the report. SFI only requires a list of the projects and costs, and one can argue that Indicators for Performance Measures 9.1 and 9.2 require less. Annual and final reports, plus additional deliverables (e.g., workshops, manuscripts, theses) are generally required for any contractual work conducted by FMFM, and WLD. To provide details currently called for in Work Instruction 5.1 requires additional work and results in little added benefit. Research results and products are usually published, made available on-line, and/or presented to appropriate groups within the agency. The result is that appropriate individuals within the DNR are made aware of the results of the research when they are available. Some researchers are quite diligent about sharing their ongoing findings, even preliminary results, with field foresters and wildlife biologists and much of this reporting is required under contracts. However, to expect DNR personnel involved with audits know about all of the research being done by the Department is not realistic, nor is it necessary for them to do their work appropriately. | | | |

Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions.

The process may be improved by having a standard and simplified reporting process detailed in the Work Instruction. Research reports are already formulated by various Divisions, so it seems reasonable to use those as evidence in support of SFI Performance Measures 9.1 and 9.2 rather than develop a new report.

It is important to define "research" more carefully. There are discrepancies between the Work Instruction and Objective 9 in regards to what constitutes research and what should be reported. A clear distinction needs to be made between research with direct DNR involvement and funding, and indirect DNR involvement (e.g., providing use permits for the site for the research, or only minor technical support).

A requirement that all research be reported to the research coordinator for each division/agency could make accumulation of the information, particularly if research that does not involve division/agency funding is to be reported, much more efficient and easily checked.

Work Instruction 5.1 should be carefully reviewed and modified to better reflect Objective 9 of the SFI Standards. It seems reasonable that a list of projects and financial expenditures would meet the spirit and letter of Objective 9.

Proposed Completion Date (mm/dd/yyyy)

9-30-2008

Joyce Angel-Ling

9-8-2008

Dayle Garlock

10/7/08

FMFM Unit Manager

Signature

Date

FMFM District Supervisor

Signature

Date

CORRECTIVE ACTION PLAN ACCEPTED

Forest Certification Specialist Acknowledgement:

Dennis Nezich

Date 10/13/08

Actual Completion Date (mm/dd/yyyy)

FMFM District Supervisor

Date

FMFM Unit Manager

Signature

Date

FMFM District Supervisor

Signature

Date

Follow Up Comments



INTERNAL AUDIT NON CONFORMANCE REPORT

| | | | |
|--|---|---|--|
| Unit Name Gaylord | | Site location Various | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-09 |
| Lead Auditor Mike Donovan | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | |
| Date (mm/dd/yyyy) 6/19/2008 | Work Instruction or Standard and Clause Number 7.1 Timber Sale Preparation and Administration Procedures | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | Other Documents (if applicable) | Responsible Manager(s) FMFM Unit Manager | |
| Requirement of Audited Standard/ Work Instruction <u>7.1 Timber Sale Preparation and Administration Procedures:</u> "At the pre-sale meeting record the following in the Remarks section of the initial Timber Sale Contract Field Inspection Report (R-4050): i)Harvesting crew name, ii) Name of SFE trained foreman, iii) Sustainable Forest Education (SFE) training completion dates for SFE trained foreman (1) date of completion of core training." "A record of all timber sale inspections, site visits, and other related observations and notes will be kept on a Timber Sale Contract Field Inspection Report, R-4050. At a minimum, complete a form R-4050 (including checklist items) for each payment unit, or alternately, at each inspection (if multiple payment units were completed between inspections). "Soil Protection. Check to be sure that the operations affecting soil erosion, compaction, and rutting are in compliance with the contract specifications. | | | |
| Observed Nonconformity In numerous cases, form R-4050 is not being filled out at completion of each payment unit, or alternately, at each inspection for all sales investigated. No documentation of presale conference for most sales inspected. No documentation of SFE trained foreman name and confirmation of core training completion for many sales inspected. Commonly the checklist portion of the form was not completed for each inspection. Issues related to specific sales are listed below: <ul style="list-style-type: none"> • Trio Hardwoods: Operations occurred during timeframe of slippery bark spec 5.2.12. • Barney Hardwood, Hopper Hardwood & Trophy IV Hardwood: There was a lack of documented approval for operating within slippery bark season. • Landslide Hardwood: The sale had documented excessive damage yet the producer was allowed to continue operations through slippery bark season. • Hopper Hardwood, Michigan State Rd Aspen, Landslide Hardwood, Wingman Hardwood: All of these sales had PPE violations by the contractor. In addition, there was a lack of follow up action and documentation. • Trophy IV Hardwoods, May Hardwoods and Hopper Hardwoods: All three sales had rutting which exceeded the 6" maximum contract specification. • May Hardwoods: Contract states equipment cannot run down the ORV trail, yet it was being used for skidding. Generally, staff are doing a good job of documenting their site visits, but often are not using form R-4050 as required by the work instruction, Not using Form R-4050 on every field inspection made it unclear if all elements of the timber sale contract were being evaluated on a consistent basis. | | | |
| Root Cause Analysis (Describe the cause of the problem.) A final inspection report using Form R4050 is being completed when the timber sale is closed and the Timber Sale Completion Report is filed. However, documentation of regular inspections during the course of the sale have not been consistent, some using a locally designed form, and not form R4050 to record observations. | | | |

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|--|--|--|--|----------------------|--|
| <p>Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions.</p> <p>Field staff have been instructed to complete an R4050 form for each payment unit and to document the presale conference. Timber sale inspections occur frequently enough that multiple payment units are not completed between inspection visits.</p> | | | | | |
| <p>Proposed Completion Date (mm/dd/yyyy)</p> <p>8-1-2008</p> | | | | | |
| <p>Joyce Angel-Ling</p> | | <p>9-17-2008</p> | | <p>Dayle Garlock</p> | |
| <p>FMFM Unit Manager</p> | | <p>Signature</p> | | <p>Date</p> | |
| <p>FMFM Unit Manager</p> | | <p>Signature</p> | | <p>Date</p> | |
| <p>CORRECTIVE ACTION PLAN ACCEPTED</p> | | <p>Forest Certification Specialist Acknowledgement:</p> <p>Dennis Nezich</p> | | <p>Date 10/13/08</p> | |
| <p>Actual Completion Date (mm/dd/yyyy)</p> | | <p>FMFM District Supervisor</p> | | <p>Date</p> | |
| <p>FMFM Unit Manager</p> | | <p>Signature</p> | | <p>Date</p> | |
| <p>FMFM Unit Manager</p> | | <p>Signature</p> | | <p>Date</p> | |
| <p>Follow Up Comments</p> | | | | | |



Michigan Department of Natural Resources - Forest, Mineral and Fire Management

INTERNAL AUDIT NON CONFORMANCE REPORT

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|---|--|--|--|---------------|
| Unit Name Gaylord | | Site location Various | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-10 | |
| Lead Auditor Mike Donovan | | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | |
| Date (mm/dd/yyyy) 6/17/2008 | | Work Instruction or Standard and Clause Number 7.2 Legal Compliance and Administration | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | | Other Documents (if applicable) FMFM Policy Procedure 251 Sales & Removal of Timber; 121 Safety | Responsible Manager(s) FMFMD Unit Manager | |
| Requirement of Audited Standard/ Work Instruction "MDNR will comply with all applicable Federal, State, and local laws and regulations..." DNR policy requires signed contracts before the initiation of work. DNR policy requires all safety hazards be investigated promptly and abated. | | | | |
| Observed Nonconformity Lost Kite Aspen timber sale was started without a signed contract. The Rope Swing over the Black River has been known for many years without resolution as it pertains to a public safety risk. | | | | |
| Root Cause Analysis (Describe the cause of the problem.) Contract was issued on 6-4-08, signed by Heym on 6-12 and received back to the unit on 6-19. Rope swing has been removed several times only to be replaced thereby creating a worse environment each time. | | | | |
| Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions. Unit will ensure that contracts are signed before sales begin. See NCR #52-2008-07, site will become inaccessible. | | | | |
| Proposed Completion Date (mm/dd/yyyy) 8-1-2008 | | | | |
| Joyce Angel-Ling | | 9-18-2008 | | Dayle Garlock |
| FMFM Unit Manager | | Signature | | Date |
| | | | | 10/7/08 |
| | | FMFM District Supervisor | | Signature |
| | | | | Date |
| CORRECTIVE ACTION PLAN ACCEPTED | | Forest Certification Specialist Acknowledgement: Dennis Nezich | | Date 10/13/08 |

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|-------------------------------------|--------------------------|------|--------------------------|-----------|------|
| Actual Completion Date (mm/dd/yyyy) | FMFM District Supervisor | | | Date | |
| | | | | | |
| FMFM Unit Manager | Signature | Date | FMFM District Supervisor | Signature | Date |
| Follow Up Comments | | | | | |



Michigan Department of Natural Resources - Forest, Mineral and Fire Management

INTERNAL AUDIT NON CONFORMANCE REPORT

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|--|--|---|--|--|--|
| Unit Name Gaylord | | Site location Gaylord Field Office 6/19/08 | | Non Conformance Report Number (Unit Code - yyyy - #) 52-2008-11 | |
| Lead Auditor Mike Donovan | | Team Member(s) Bob Burnham, Steve Milford, Kim Herman | | | |
| Date (mm/dd/yyyy) 6/17/2008 | | Work Instruction or Standard and Clause Number 8.1 Michigan Department of Natural Resources Staff Training for State Forest Management | | | |
| <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor | | Other Documents (if applicable) | | Responsible Manager(s) Wildlife Mgt. Unit Supervisor: Tim Reis | |
| Requirement of Audited Standard/ Work Instruction "Training Officer annually summarizes training needs." Training Officer "determines annual training plan for division employees and inform supervisor and employees." "Training Officer shall annually assess gaps in training" "Supervisors send Training Officer the annual list of training needs" "Supervisors and employees shall inform Training Officer of completion of all required training, and of any additional training completed." | | | | | |
| Observed Nonconformity Wildlife Division does not follow the structured process outlined in Work Instruction 8.1. Wildlife Division does not annually assess gaps in training and record those on a training plan for an employee. Training records for employees (Keith Kintigh) were not up-to-date. | | | | | |
| Root Cause Analysis (Describe the cause of the problem.) In practice, the WLD meets this certification requirement. A WLD training plan is developed each year and division training priorities are established. Additionally, supervisors and employees discuss individual training needs during the annual performance reviews. Employees are responsible for notifying the Division Training Officer of completed training so an individual's training record is up-to-date. | | | | | |
| Corrective Action - Proposed corrective action - To be completed by the Unit and relevant Divisions. The Wildlife supervisor will discuss an annual training plan with each unit staff at the time of employee annual performance reviews. Staff will be reminded of the importance of notifying the Division Training Officer of completed training. | | | | | |
| Proposed Completion Date (mm/dd/yyyy) April 1, 2009 | | | | | |
| Joyce Angel-Ling | | 9-8-2008 | | Dayle Garlock | |
| FMFM Unit Manager | | Signature | | Date | |
| | | | | 10/7/08 | |
| | | | | Date | |
| CORRECTIVE ACTION PLAN ACCEPTED | | Forest Certification Specialist Acknowledgement: Dennis Nezich | | Date 10/13/08 | |

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|-------------------------------------|--------------------------|------|--------------------------|-----------|------|
| Actual Completion Date (mm/dd/yyyy) | FMFM District Supervisor | | | Date | |
| | | | | | |
| FMFM Unit Manager | Signature | Date | FMFM District Supervisor | Signature | Date |
| Follow Up Comments | | | | | |

Report and Review Procedure following the Internal Audit:

1. Nonconformance Reports (NCRs) that describe observed nonconformity with forest certification work instructions will be prepared by lead and staff auditors during internal audits.
2. Lead Auditor will prepare a Draft Internal Audit Report (DIAR) consisting of Audit Team Nonconformance Reports and a brief audit summary (cover memo). Complete at closing meeting.
3. Lead Auditor will send the DIAR to FMU Manager and send a copy to Forest Certification Specialist and District FMFM Supervisor within 1 week.
4. The FMU Manager will respond to the NCRs and assemble the root cause analysis and corrective actions for all NCRs in consultation with staff, or, dispute findings with an explanation. FMU Manager will send to the FMFM District Supervisor with copy to FC Specialist and Lead Auditor.
5. The FMFM District Supervisor will review, support, and date the NCRs. The FMFM District Supervisor will send the Internal Audit Report with approved NCRs to the Forest Certification Specialist within 4 weeks of the closing meeting. A copy of this report will also be sent to the Lead Auditor.
6. The Forest Certification Specialist will consult with Lead Auditor to confirm corrective actions satisfactorily address NCRs. The FC Specialist will review and sign the NCR corrective actions to acknowledge completion. Complete within 6 weeks of closing meeting date.
7. Forest Certification Specialist will forward Final Internal Audit Report to FCIT, FMFM Management Team, FMFM District Supervisors, all FMU Managers, and representatives from other Divisions, as identified by the FCIT Division representatives.
8. Corrective Actions will be cleared either through the Management Review Process or in the next internal audit.